



Benewah, Bonner, Boundary, Kootenai & Shoshone counties

## EMPLOYMENT TRENDS

After four years of strong job growth, the Coeur d'Alene metropolitan statistical area is slowing, waiting to see how the U.S. economy reacts to rising fuel costs, a falling dollar, a crumbling housing market and decreased credit availability. If the U.S. economy avoids a recession as many economists expect, things should continue to go well for the Idaho Panhandle.

The Coeur d'Alene area's seasonally adjusted unemployment rate increased from 2.6 percent in September to 3 percent in October as some major construction projects came to an end, housing starts slowed further and logging and wood products manufacturing lost jobs. Despite the monthly increase, the unemployment rate remained six-tenths of a percentage below October 2006. The labor market continues to be tight with many employers reporting difficulties recruiting and keeping workers.

Although unemployment rates in the other Panhandle counties were higher than in Kootenai County, they re-

mained near their historic lows set in recent months. Only Boundary County, where the timber industry has been shedding jobs, had an unemployment rate above 5 percent. Its rate of 6 percent, however, was significantly lower than the 7.4 percent 12 months earlier. Despite a slowdown in construction and persistent problems very low prices are causing logging and lumber, the Panhandle counties continued to enjoy job growth in fall 2007. Most have fairly high expectations for 2008 unless the U.S. enters a recession.

## AREA DEVELOPMENTS

### *SNOWFALL BRINGS CASH WINDFALLS TO REGION*

- As usual, Lookout Pass was the first northern Idaho ski area to open for the season. The ski area along Interstate 90 near the Idaho-Montana border, which employs about 80 people, opened Nov. 29. Work was still under way on Lookout's new North Star lift, which soon will be taking skiers and snowboarders to the six new runs on the north side of the mountain.

Lookout's terrain has nearly tripled in size since 2003.

- Silver Mountain Resort's ski area, accessed by a gondola running from Kellogg, opened in early December. The resort also just opened a snowtubing park, Prospector Adventure Zone, accessed by a moving carpet lift. Next spring Silver Rapids, an indoor water-park as large as a football field, will open in the village. The Silver Mountain ski area employs about 250 people.
- Schweitzer Mountain Resort near Sandpoint, which is Idaho's largest ski area with 2,900 skiable acres, also opened in early December. About 650 people work at Schweitzer during the season. With all the publicity it has been receiving, Schweitzer is likely to host record numbers of out-of-state visitors this winter. In November, [tripadvisor.com](http://tripadvisor.com), a travel Web site with nearly 30 million visitors a month, named Schweitzer Mountain Resort one of the 10 most overlooked ski destinations. It was impressed with the affordability of lift tickets, lodging and nightlife. A Dec. 2 article in The New York Times stated, "Schweitzer Mountain Resort, an under-the-radar ski hill in northern Idaho, was recently ranked by Skiing Magazine among North America's top 25 resorts. In addition, skiers can expect shorter lift lines this season as the mountain opens two new chairlifts — a triple and a high-speed quad — boosting capacity by 28 percent."
- With forecasts for more snow, it also looks like a good winter for snowmobilers. Good snow conditions for skiers, snowmobilers and other winter sport enthusiasts is great news for the motels, restaurants and retail stores that rely on them to make it through what would otherwise be very lean months in Shoshone and Bonner counties.

#### **TOUGH TIMES REDUCE LUMBER JOBS**

- The lumber industry is going through extremely tough times since the summer of 2006 when U.S. housing starts began to fall. In the last three months, lumber prices have hovered around \$260 per thousand board feet, their lowest level since the early 1980s. Several mills in the Panhandle have been forced to shut down, some for a few weeks but others permanently, because the very low prices for their products have been compounded by rising fuel and energy costs. Log prices have remained relatively high, increasing the pressure on mills. Lumber production west of the Cascades plunged 16 percent from October 2006 to October 2007 as the result of shutdowns and layoffs. Despite the shutdowns, most experts say there still is a lot of excess capacity, and they don't expect a turnaround until fall 2008.
- Riley Creek Lumber Co. shut down its sawmill in Moyie Springs in November, putting 75 employees out of work for two weeks. It also will shut down for a week at Christmas. The Welco cedar mill near Naples also has experienced layoffs and shutdowns during the last year. In the summer of 2006, the two Boundary County mills employed about 250 workers. Now, they employ about half of that.
- Stimson Lumber recently sent most of the 55 workers at its Priest River sawmill home for a couple of weeks. It has been running reduced shifts for much of the year. It laid off about 50 workers from its De Armond mill in Coeur d'Alene last winter. Stimson is expected to shut down its four northern Idaho mills for a week or two at Christmas.

#### **BENEWAH COUNTY**

- Mel Walton of Tensed opened Precision Tattoo Dec. 1 on the top floor of the Century 21 building in St. Maries.
- Larry Tetherow opened Larry's Truck Repair last month in St. Maries. He handles engine work, repair and maintenance for pickups, trailers and diesels. He also specializes in fabrication and welding.
- The Tri-Community Library in Fernwood has been remodeled to include new lighting and shelves. The 30-year old library operated by the Benewah Library District is expanding its offerings. It serves the communities of Fernwood, Emida and Santa.
- Plummer residents recently voted 130 to 48 for a \$4 million revenue bond to build a new sewage facility, which will allow the city to lift its building moratorium. Bond approval allowed the city to apply for a Community Development Block Grant. A decision on the grant request is due in March. The total cost of the project will be \$12 million.

#### **BONNER COUNTY**

- Thanks to Quest Aircraft, Litehouse Dressing, Unicep Packaging, Thorne Research, Diedrich Coffee Roasters and other manufacturers, Bonner County added 900 manufacturing jobs between the first quarter of 2000 and the first quarter of 2007 — more than any other county in Idaho. Coming in second was neighboring Kootenai County, which added 670. During that seven-year period, the U.S. lost nearly 3.2 million manufacturing jobs, a 19 percent decrease, and Idaho lost 2,620 jobs, about 4 percent of its manufacturing payroll. Bonner County's manufacturing jobs grew a spectacular 65 percent.
- The Cedar Street Bridge Public Market in downtown Sandpoint provides shoppers with international flavor. This summer, Pradeep and Jennifer Shrestha opened Where the Wind Blows. The store offers

home decor, jewelry and art from the U.S., India and Pradeep's homeland, Nepal. Manuela Frazier, who was born in Germany, soon will open a European-style café, where she and her employees will serve coffee drinks, gelatos, pastries, meats, cheeses and panini sandwiches. L'Atelier Jewelry Boutique opened at the bridge in September. It sells rings, necklaces, watches and accessories. Among its most popular items is jewelry featuring sterling silver and Idaho opals and garnets.

- Clark Fork, a town of 580 in eastern Bonner County, now has a bookstore. Berning Books, with more than 5,000 new and used books, also is a coffee house that offers wireless Internet access and musical entertainment.
- Stillwater Coffee Co. recently opened in Sagle, five miles south of Sandpoint. One of the owners, Pete Lindahl, is a master coffee roaster, who spent years as an apprentice on blending, roasting and making espresso. In addition to selling bags of his custom blends of organic and free trade coffee at its Sagle headquarters, Stillwater also sells to a growing group of coffee shops.
- Laughing Dog Brewing in Sandpoint recently won first place at the Fresh Hop Ale Festival for its Hop Dog ale made with locally grown hops. Earlier this year, Laughing Dog earned the North American Brewers gold award for its Devil Dog Imperial India Pale Ale, a silver medal for its CSB extra special bitter and a bronze medal for its popular Cream Ale. To keep up with growing demand, the two-year-old brewery is adding new equipment that will increase its capacity four-fold to 450 barrels per month. Laughing Dog, which makes eight different brews, has shipped about 800 tap handles to pubs throughout Idaho, Washington and Alaska. Laughing Dog currently employs 11 people.
- Black Sheep, a Coeur d'Alene-based sporting goods store, opened a temporary store in the former Kmart building in Ponderay in late November. The 84,000-square-foot building, which was most recently a Liquidation World, will be stocked with 60,000 square feet worth of merchandise for a warehouse sale. Black Sheep owner Dave Knoll has been considering adding a third store to its two stores in Coeur d'Alene and Lewiston. Initially the Ponderay store will be open only on the weekends, and employ 10 people. It could become a seven-day-a-week venture. The initial response by local shoppers was very enthusiastic.
- At its annual gathering, Bonner County Economic Development Corp. recognized Coldwater Creek and Panhandle State Bank for their contributions to Bonner County's economy. The two businesses, which

have their corporate headquarters in Sandpoint, together employ nearly 500 people in the county.

#### KOOTENAI COUNTY

- To kick off the Christmas season, downtown Coeur d'Alene sponsors a parade on the Friday after Thanksgiving that includes the lighting of the world's tallest living Christmas tree and of 1.5 million lights on various displays at the Coeur d'Alene Resort. The climax of the lighting ceremony is a spectacular fireworks show. This year, 5,000 Coeur d'Alene residents came at 3 a.m. the following Thursday to restage the lighting ceremonies so it could be featured as one of the 15 best holiday lighting ceremonies in the U.S. on ABC's Good Morning America. Coordinated by Hagadone Corp. and KXLY, the ABC affiliate in Spokane, the two-hour event around the Coeur d'Alene Resort was expected to bring positive nationwide exposure to the area. About five million people watch *Good Morning America*. Not only will the broadcast attract tourists and possibly new residents, it may even help attract new businesses to the area.
- Bent Rebar LLC, a Coeur d'Alene fabricator of steel rods for reinforcing concrete, recently added a second shift and four more workers so it can supply rebar for more large construction jobs. It employs 10 on its day shift including four who work at the firm's office. The company opened in spring 2006 with just two small cutting and bending machines in its current office. In January, it opened its 11,000-square-foot shop, and moved in \$700,000 worth of state-of-the-art automated machinery for cutting and bending rebar.
- Super Supplements opened a 5,000-square-foot store in Coeur d'Alene, employing six to sell health supplements, vitamins and herbs for general health, weight loss and bodybuilding. Stores opening in the new mini-mall north of Super Supplements include Kimmel Athletic Supply, Allied Cash Advance, Wheat Montana and the Bangkok Thai Restaurant. Kimmel Athletic Supply Co., a Spokane-based supplier of sports team uniforms and equipment, opened a 2,600-square-foot retail store there because of growth in youth sports in Kootenai County. It employs six people. Wheat Montana opened a 2,200-square-foot deli and bakery with all-natural products. It employs 15. The Bangkok Thai Restaurant, which will open soon, will occupy 4,000 square feet and employ 20.
- Wag Water — specially formulated water that contains electrolytes to keep energy levels up, glucosamine to ease joint pain and additives to promote good health for dogs — is the product of PETZ Inc., a Coeur d'Alene company founded by veterinarian Dave Tester. A 16.9-ounce bottle sells for 99 cents

and can be handy for keeping dogs hydrated when they are ill or being exercised or transported. It has a special flavor that dogs like while having a longer shelf life than other flavored waters for dogs. PETZ Inc. currently employs six.

- The Inland Northwest's first electric car dealership opened in November near auto row along Interstate 90 in Post Falls. Go Green Electric Cars sells several different brands of cars, forklifts and scooters. Some electric cars can handle speeds up to 35 miles per hour and travel up to 50 miles before needing their batteries recharged. The dealership has six employees.
- Coeur d'Alene Honda, with 46 workers, has begun work on a \$3 million expansion of its complex just south of Interstate 90. It is constructing a 23,000-square-foot showroom and service building that will house the automotive portion of the dealership, which sells the full line of other Honda products from all-terrain vehicles and motorcycles to lawn mowers. Construction is expected to be completed in July, providing room for up to another 150 vehicles.
- Calypso's Coffee Co. opened in late November in downtown Coeur d'Alene. It serves a wide variety of coffee and fruit drinks, breakfast and lunch sandwiches, soups, salads and desserts.

- The Coeur d'Alene Pet Resort and Doggie Day Care, now open downtown, offers both overnight and day-time care of dogs and cats.

#### **SHOSHONE COUNTY**

- Two new businesses, Fire & Brimstone Extreme Sports and Quality Byte, hosted a grand opening in late November at their shared storefront in uptown Kellogg. The paintball and video gaming center offers entertainment for people of all ages. The Quality Byte store provides technology assistance and repair for computers including networking, security, backup, maintenance and software training. In addition, owner Ben Keele builds and sells custom computers that incorporate touch screens, high definition technology, blue tooth, Web cams and a device that works like Tivo to record television programs.

***See page 30 for Panhandle Idaho labor force and nonfarm jobs data table for October 2007.***

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## Panhandle Data — October 2007

### Coeur d'Alene MSA Labor Force & Employment — Kootenai County

	Oct 2007*	Sep 2007	Oct 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	70,160	71,100	69,490	-1.3	1.0
Unemployed	2,080	1,880	2,470	10.6	-15.8
% of Labor Force Unemployed	3.0	2.6	3.6		
Total Employment	68,080	69,220	67,020	-1.6	1.6
<i>Unadjusted</i>					
Civilian Labor Force	71,330	71,810	69,090	-0.7	3.2
Unemployed	1,410	1,230	1,910	14.6	-26.2
% of Labor Force Unemployed	2.0	1.7	2.8		
Total Employment	69,920	70,580	67,180	-0.9	4.1
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	58,200	58,750	56,350	-0.9	3.3
<i>Goods-Producing Industries</i>	11,780	11,780	11,920	0.0	-1.2
Natural Resources & Mining	630	620	510	1.6	23.5
Construction	6,390	6,410	6,540	-0.3	-2.3
Manufacturing	4,760	4,750	4,870	0.2	-2.3
<i>Wood Product Manufacturing</i>	920	940	1,040	-2.1	-11.5
<i>Other Manufacturing</i>	3,840	3,810	3,830	0.8	0.3
<i>Service-Providing Industries</i>	46,420	46,970	44,430	-1.2	4.5
Trade, Transportation, & Utilities	11,050	11,060	10,450	-0.1	5.7
<i>Wholesale Trade</i>	1,570	1,570	1,250	0.0	25.6
<i>Retail Trade</i>	8,330	8,310	8,050	0.2	3.5
<i>Transportation, Warehousing &amp; Utilities</i>	1,150	1,180	1,150	-2.5	0.0
Information	920	910	990	1.1	-7.1
Financial Activities	3,160	3,180	2,960	-0.6	6.8
Professional & Business Services	6,610	6,730	6,000	-1.8	10.2
Educational & Health Services	5,580	5,590	5,390	-0.2	3.5
Leisure & Hospitality	7,770	8,360	7,530	-7.1	3.2
Other Services	1,510	1,550	1,490	-2.6	1.3
Government Education	3,680	3,410	3,660	7.9	0.5
Government Administration	5,300	5,340	5,190	-0.7	2.1
Government Tribes	840	840	770	0.0	9.1

\* Preliminary estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month